

# BUILDING DEVELOPMENT COMMISSION

## Minutes of March 17, 2015 Meeting

Jonathan Bahr opened the Building-Development Commission (BDC) meeting at 3:07 p.m. on Tuesday, March 17, 2015.

**Present:** Chad Askew, Jonathan Bahr, Rob Belisle, Tom Brasse, Melanie Coyne, Bernice Cutler, Travis Haston, Hal Hester, Rodney Kiser, Scott Shelton, Ben Simpson and John Taylor

**Absent:**

### 1. MINUTES APPROVED

Approval of the March 3<sup>rd</sup> BDC Meeting Minutes has been postponed until the April 21<sup>st</sup> meeting.

### 2. BDC MEMBER ISSUES

No BDC Member issues.

### 3. FY16 BDC BUDGET PROPOSAL

Jim Bartl described the outline of the budget meeting and encouraged members to ask any questions they may have. Jim also reminded members that March Statistics were previously emailed to all members on March 13<sup>th</sup>. The Department and BDC Budget Sub-Committee held three meetings on Feb. 6, Feb.25 and Mar 13 agreeing on the proposal that is outlined today.

Based on increasing staff from 220 FTEs to 225 FTEs he asked for support of a five (5) position betterment showing a revenue forecast of moderate growth sufficient to support the proposal. The goal is to agree on a budget strategy and conclude the meeting with formal votes on 3 items;

a) FY16 budget with betterments, b) Demo fee RFBA (3rd year of 4), c) tech transfer.

Jim revisited the FY15 revenue sources and expenses then went on to review the FY16 budget proposal, the added position proposal, the strategy used to balance expenses compared to revenue. Jim then said he would ask for a formal three part vote by the BDC.

### Expense Summary in FY15 Budget

Budget category	amount	Budget %	includes
4000 – personal service	18,519,042	75.9%	Salary, Temp & PTE's (29), OT, insur, FICA, wk comp,fringes
5000 – contractual service	1,917,520	7.85%	Telephone, travel, training, professional fees (including tech), attorney fees
6000 - commodities	728,132	2.98%	Office/dept supply, dues, books, uniforms, computers
7000 – other	258,000	1.05%	Transfers from fund balance covering technology development
8000 – internal service	2,131,390	8.73%	LUESA overhead, CMGC overhead, vehicle maint
9000– fixed assets	850,720	3.49%	Auto replacement/bldg furnishings
<b>Total</b>	<b>24,404,804</b>	<b>100.00%</b>	For 215 FTE's

*RB: What's the total number of positions in Code Enforcement?*

*JNB: Approximately 220*

*TH: Budget states they are on staff day 1 of FY16*

*JNB: Yes, you cannot carry over positions*

*MC: Does this include increasing salaries?*

*JNB: It does not make allowances for what HR might do.*

*MC: Are County salaries a deterrent to coming on board w/ Meck County?*

*JNB: Yes, it can be.*

*BC: If you need to use temp staff to fill in for the vacancies, can you use salary funds to pay for them?*

*JNB: We have funds to cover that. Salaries covered in 4000 and we can shift money.*

### **Revenue Projection for FY15 Budget**

<b>Revenue category</b>	<b>amount</b>	<b>includes</b>
<b>Permit fees</b>	<b>20,593,309</b>	12 mo @ \$1,716,109/mo
○ Com'l Express review	259,650	
○ Com'l 3 <sup>rd</sup> review charges	38,077	
○ Com'l mega team	504,057	
○ Com'l other; RTAP & other chgs	903,731	
○ Com'l misc(cancel, DayCare, etc)	1,467	
○ Document control	382,868	
○ revenue collection	142,891	
○ bldg insp; Meck SI, OTI, IBA	623,875	
○ CATS Blue Line inspectors	207,270	
○ 3 <sup>rd</sup> party	100,000	
○ ABC inspections	26,130	
○ MCFM added permits	183,479	
<b>Subtotal other revenue</b>	<b>3,373,495</b>	Note; 14.08% of total fee rev
<b>Tech fund transfer</b>	<b>258,000</b>	
<b>other fund transfer</b>	<b>180,000</b>	See Note 3
<b>Total fee revenue projection Fy15</b>	<b>\$24,404,804</b>	

### **FY15 Expense and Revenue Status, at Feb. 28, 2015**

- Budgeted expense: \$24,404,804/12 x 8 = \$16,351,218
- Status at 2/28/2015
  - With encumbrances; \$14,599,347
  - Actual amount expensed; \$13,856,717 (so about \$742,630 committed via encumbrance)
  - So we are at 61% expensed at 2/28/2015 (or about 91% of the 8 month projection)
    - So it looks like we are about 6% below the Fy15 budget target so far.
    - This is about 1% (or 244k) higher than where we were at 2/28/14

### **FY15 Revenue status as of Feb. 28, 2015**

- Total revenue projection of \$24,404,804 breaks down into;
  - permit fees; \$20,593,309
  - Other revenue; \$3,373,495
  - Tech surcharge transfer; \$258,000
  - Gartner audit transfer; \$180,000
  - Total revenue; \$24,404,804
- Status at March 1, 2015;
  - Permit fee revenue; \$13,892,529 (\$163,656 or 1.2% above projection of \$13,728,873)
  - Other revenue; \$2,420,746 (\$171,749 or 7.1% above projection of \$2,248,997
    - Total revenue (excluding fund transfers); \$16,313,275
      - \$335,406 or 2% above 8 month total revenue projection of \$15,977,869.

### Proposed FY16 Expense Level

Budget category <b>projection</b>	<b>Fy16 estimate at 3/17/15</b>	<b>Fy15 adopted (4)</b>	<b>Differences between Fy16 proposed and Fy15 adopted</b>
<b>4000 – pers'l service</b>	20,433,834	18,519,042	Up 1.915M for ext'g 220 FTE's (see note 4) <ul style="list-style-type: none"> <li>• 4002 up 1.158M_, incl 3% raise (587k)___</li> <li>• OT at 227.2k, (up from 210k in Fy15)</li> <li>• PTE@ 48k (up from 36k in Fy15)</li> <li>• Other 4000 act (FICA, etc) up 605k</li> </ul>
<b>5000 – contr'l service</b>	1,772,767	1,917,520	Total down 144.7k <ul style="list-style-type: none"> <li>• Fy15 included 171.8k in btmt increases</li> <li>• 5030 PPE arc fault down 38.8k</li> <li>• 5006 tel down 32k &amp; 5007 cell up 28.7k</li> <li>• 5054 tech maint up 127.8k. see item 4</li> <li>• Travel/trng down 110.9k</li> <li>• Temp labor up 20.8k, fin charge up 29.5k</li> <li>• Consulting fee (180k) gone; CSS in for 15k</li> </ul>
<b>6000 - commodities</b>	525,298	728,132	Down 202.8k <ul style="list-style-type: none"> <li>• Fy15 included 167.26k in btmt increases</li> <li>• Supply (6002/6005) up 10k</li> <li>• Uniforms (6035) down 22.5k</li> <li>• Comp repl down 49k; see 4.4.1</li> <li>• Gas&amp;Oil (6081) down 94k</li> </ul>
<b>7000 – other</b>	155,000	258,000	Tech support for proposed Task Force recommendations. Covered by transfer from reserve fund. Refer to <u>TF Final Report</u> Part 4
<b>8000 – internal service</b>	1,940,919	2,131,390	<ul style="list-style-type: none"> <li>• Veh Maint same (see also 6081)</li> <li>• CMGC &amp; LUESA estimated at \$1.67M &amp; subject to confirmation.</li> </ul>
<b>9000–fixed assets</b>	477,200	850,720	Auto repl only; 20 trucks + 2 MCFM vehicles
<b>Total</b>	<b>25,305,017</b>	<b>24,404,804</b>	<b>Up 900.2k</b>

Note 4: the CSC RFBA approved by BOCC on Feb 19, adds 110k in Fy15 expense for the 4 position betterment (4- CSC Concierges) thru 6 pay periods (3 months).

- The Fy16 salary burden of 30 FTE betterment approved in Fy15 (26 in June, 2014 and 4 on 2/19/15) is equal to (890k+210k=1.1) 1.1M x 75% = 825k+/- bump in 4000 account

### Driving Changes in FY16 Expense Compared to FY15

- Overall, up 900k over Fy15, for current staff level, 220 FTE's (216 + 2/19 RFBA approved)  
Keep in mind FY15 betterments added \$1.1M to FY16 budget, but in FY15 adopted, betterment one time charges to 5000/6000/9000 accounts (about 750k) don't recur, so 4000 account way up 10%+, but 5000/6000 lines down a lot (12%, but smaller \$\$'s).
  - Other notable items; the Gartner \$180k consultant fee (5309) disappears.
  - Tech new projects down 100k (7501), but tech maint (5054) up 128k.
  - Other substantive adds are;
    - 3% raise (4099) at 587k, adds 114.6k above Fy15 3% raise estimate.
    - Fringes (4021-4030) up 604.7k above Fy15 estimate

- *All of the above adds up to 915k+, so that's the big picture of how it changed*

### **Additional Detail on Big Line (50k+) Item Differences Between FY16 & FY15**

- 5054 - software maintenance up \$126k; will review further in tech presentation
- 5112 - training down 99.5k; reflects Fy15 one time training cost of 110k related to 24 FTE betterment.
- 5309 - consulting down from 180k to 20k; Fy15 had Gartner onetime cost, while Fy16 has 5k for PE consulting and 15k for CSC bi-annual customer survey.
- 6075 – computers down 49k, reflecting IST saying they'll buyout desktop/laptop replacement.
- 6081 – gas & oil down 94.2k; based on 6 month (Fy15) burn rate study annualized, adjusted for 16 vehicles not in rotation yet; gives us 14% cushion for fuel spike; we're comfortable with it.
- 7501 –tech transfer down 100k; will review further in tech presentation.
- 9006 – vehicle reflects Fy15 one-time cost of 337k for vehicle purchase on 16 of the 24 FTE betterment positions.

*RB: When you hire the 20 staff will you take money from the reserve fund?*

*JNB: We are purchasing cars now. If we run over on some accounts we can move money and if we run short; we can go to the BOCC and ask for money to be moved.*

*RB: Does it matter that 10% of your staff has not been hired yet?*

*JNB: If you are asking are we concerned we haven't hired yet; yes. Does that mean we get to change rules no it is set by the Office of Management Budget.*

*BS: How many vehicles do you have in this department and when you purchase vehicles do you purchase them through a state contract?*

*AH: 120 vehicles, most of the time yes. Two years ago they did not have the vehicles we needed. In place now for the next five years.*

*BS: Vehicles you are replacing; what happens to them?*

*JNB: County sells them and keeps the money.*

*TB: When you move into the new building going from class c to class a allocation of that building will go up substantially. Is it going to hit the FY16 budget?*

*JNB: I think it will hit in FY17 budget in the 8100 (overhead expense from the government center).*

*SS: \$477K for vehicles, is that for 20 vehicles and does it not depreciate?*

*JNB: We do not depreciate. 10 years ago we were told we had to buy our own vehicles.*

## **4.2. Computer Repair and Replacement Cost Strategy**

Replacement schedule assumes; 3 years for tablets and desk tops, 4 years for plan review monitors, 2 years for iPads. Results in the following:

- Desktop/tablet;
  - replace 17 desktops at \$1025 each = 15,425
  - substitute 16 tablets at \$2200 each = 35,200
    - Note; IST advised on 3/3 that they will cover this cost
- Monitors; est Fy15 replacement of 40 units @\$215ea (av'g cost, range \$187-\$243).....\$8,600

- iPads; estimate Fy15 replacement of 60 units @\$820 each.....\$49,200
- In 3075/6075, .....total \$57,800

*JT: What about damaged lost or stolen laptops?*

*SBE: We have maintenance coverage for damage loss or replacement.*

*CA: How long do you keep an iPad?*

*SBE: 2-2.5 years*

*BS: iPad issues and inspectors not being able to call up the latest drawings in the field; who is looking out that what we buy will serve our needs at the end of 2016 as we move forward?*

*JNB: When newest highest capacity technology comes online; we give those to the inspections technology team benchmarking group. It is tested and if it can be used in the field effectively that is what we order going forward.*

## **Vehicles Replacement**

Back in Fy13, proposed restarting replacement with 4 year schedule for 83 inspector trucks; included nothing for repl of office support vehicles, except MCFM. Continuing that 4 yr replacement schedule; Fy16 is the last year. Fy17 will drop to a 5 year schedule, but base that on the entire truck fleet (120+/-). So Fy16 vehicle replacement budget is; 20 trucks at 20.8k each = 416k, plus two Crown Vic equivalent (Chevy Caprice) for MCFM at 30.6k = 61.2k  
Total budget: \$477,200,..... all in 3075/9006

## **ISO Compliance Review**

Fy16 budget proposal estimates address ISO requirement as follows:

- Public awareness: with an ISO goal of ½% or roughly \$98,500
  - 5121 printing - \$46,750 covers 47.4% of ISO target; the new outreach coordinator will more than cover the rest, with some of those costs diverted to 5112 training.
- Training: with an ISO goal of 2% or roughly \$394,200
  - 5112 training - \$151,500 covers 38.4% of ISO target, but.....
  - From Fy12 ISO audit, add \$84,800 (adjusted +12%) dedicated CA/ trainer time.
  - Estimate cost allocation of new training (process & tech) coordinator at 60k.
  - Takes us to about 296k or 75% of goal\_\_; in 2012 we made it with a 71% estimate.
- The Dept reviewed the Fy16 budget ISO compliance strategy with the Budget Subcommittee and all concurred it works.

## **Technology FY15 Funding Proposal and Project List**

<b>Maintenance of existing programs (fund by permit fees)</b>	<b>cost</b>	
Meck Si - Server hosting and maintenance - NTT DATA	\$46,000	
Computronix - POSSE licenses	\$45,000	
Computronix - POSSE annual support maintenance	\$36,000	
Computronix - POSSE troubleshooting support	\$8,000	
Selectron – IVR Maintenance	\$32,000	
EPS/EPR – annual modules maint; Avolve/Project Dox (3)	\$375,000	
Lincoln-Perry POSSE source code protection	\$1,100	
Adobe viewer licensing costs	\$5,600	

BlueBeam license	\$1,000	
BlueBeam license	\$4,500	
Novo suite asset management component	\$11,000	
EPS server and storage hosting (by Cognet & MCNC)	\$36,000	
Client Feedback tool annual; OnSch-Mega agreement	\$5,000	
Lobby queuing maintenance	\$5,700	
Sages (7)	\$130,000	
City of Raleigh – e-plan-nc hosting agreement	\$16,728	
Navision	\$1,200	
CSC supporting technology maintenance estimate (8)	\$74,498	
	<b>Subtotal (in 5054)</b>	<b>\$834,326</b>
<b>Existing program enhancements (fund by permit fees)</b>		
Holds notification (5)	\$35,000	
Client Feedback Tool for inspections (5)	\$40,000	
Other - TBD (5)	\$20,000	
	<b>Subtotal (in 5054)</b>	<b>\$95,000</b>
<b>New projects (fund by transfer from Dept special fund)</b>		
Tech supporting Task Force recommendations (6)	\$155,000	
	<b>Subtotal (in 7501)</b>	<b>\$155,000</b>
<b>Total all categories</b>	<b>Grand total</b>	<b>\$1,084,326</b>

*MC: The only thing that is an estimate is the CSC?*

*SBE: Yes*

*JT: The holds notification, is that just the county share or the city as well?*

*JNB: Represents type of projects that may need enhancements.*

*BS: I would encourage you to coral the city.*

*SBE: We are working in conjunction with the city on the holds process.*

*BS: Last year 7501 was higher.*

*JNB: This was tied to 3 – 4 projects that were funded.*

Notes:

5. These projects suggested as likely candidates for Fy16 enhancements. Actual project selection to be made by Tech Leadership Team during Fy16.
6. Refer to Part 4 of the AE-GC-Builder Task Force Final Report. This estimate includes the base amount referenced in Part 4, plus a 15% contingency, for a total of \$155k
7. Annual maintenance cost from Fy14 agreement with Avolve; replaces \$200k allocated (in prior years) to EPS-EPR for Sages (being phased out this year with final 130k allocation).
8. Based on line item analysis of CSC RFBA tech costs, totaling \$74,498 (roughly 14% of adjusted tech betterment cost)

**Betterment Proposal**

- RTAC/CTAC;
    - Permitting admin support.....\$63,466
    - Plan review; 2 level III CEO's.....\$180,768
  - TF recommendations support; 2 level III CEO's.....\$180,768
- Total.....425,002



CA: Do you think these positions will be more or less difficult to fill than the inspection positions?

PG: Admin. position shouldn't be difficult. Then plan review positions will be more difficult to get the right people in the right place.

CA: Asked for a summary of the job descriptions.

JNB: Not really, went into all the different things that the task force asked them to do and the commonality of hours added up was 3600+ odd hours that had to be taken off the line.

CA: These positions will come in as general positions to fill where resources are needed.

RB: What is the ratio you strive for? Last year 47% inspectors; etc.

PG: We don't use a ratio.

JNB: Look at performance levels with respect to their turn around times and keeping up with booking lead times. If we are deficient, will determine how many slots we will have to add to get back to our performance goals.

### **Balancing the FY16 budget**

- With betterments, FY16 proposed totals \$25,305,017

### **Total FY16 Expenses**

- FY16 Requested (from item 4).....\$25,305,017
- Add for betterment (from item 6).....\$425,002
- Total.....\$25,730,019

### **Revenue Sources**

- Fee revenue is typically (+/-) 75% permits, and 15% other revenue

### **Assume Other Revenue Annualized as Follows**

Other revenue item	Fy15 estimate	Other Rev YTD at 2/28/15	2/28/15 Other Rev Annualized
○ Com'l Express review	259,650	144,032	216,047
○ Com'l 3rd review charges	38,077	32,569	48,854
○ Com'l mega team	504,057	422,633	633,950
○ Com'l other; RTAP & other chgs	903,731	740,038	1,110,056
○ Com'l misc(cancel, DayCare, etc)	1,467	658	987
○ Document control	382,868	376,745	565,117
○ revenue collection	142,891	107,620	161,430
○ bldg insp; Meck SI, OTI, IBA	623,875	437,671	656,506
○ CATS Blue Line inspectors	207,270	0	0
○ 3rd party	100,000	0	(9) 0
○ ABC inspections	26,130	20,670	31,005
○ MCFM added permits	183,479	138,111	207,167
<b>Subtotal other revenue</b>	<b>3,373,495</b>	<b>2,420,746</b>	<b>(9) 3,631,119</b>

Note 9: any FY16 projection should add 100k revenue for 3<sup>rd</sup> party insp work

### **FY16 Gross Revenue Predictions** (assumes no changes in fee)

#### **Minimum;** if FY15 monthly average continues through all of FY16

- Bldg permit revenue;.....\$13,892,529 / 8 x 12 = 20,838,794.....or 1.737M/month
- Other revenue;.....\$2,420,746/ 8 x 12 = \$3,731,119 (includes 100k 3<sup>rd</sup> party insp rev)
- Technology transfer.....155,000

- Total Fy16 minimum predicted gross revenue .....\$24,724,913

**Middle Ground**; assume Fy15 YTD through Feb, & March-June as Fy14

- Bldg permit revenue;
  - July – Feb YTD .....13,892,529
  - Mar-June Fy14 average....\$1,815,184 x 4 = \$7,260,736
- Other revenue;..... \$2,420,746/ 8 x 12 = \$3,731,119 (includes 100k 3<sup>rd</sup> party insp rev)
- Technology transfer.....155,000
- Total Fy16 minimum predicted gross revenue .....\$25,039,384

**Maximum**; assume Fy15 YTD through Feb, & March-June as Fy14 x 1.12

- Bldg permit revenue;
  - July – Feb YTD .....13,892,529
  - Mar-June Fy14 average....\$1,815,184 x 4 x 1.12 = \$8,132,024
- Other revenue;..... \$2,420,746/ 8 x 12 = \$3,731,119 (includes 100k 3<sup>rd</sup> party insp rev)
- Technology transfer.....155,000
- Total Fy16 minimum predicted gross revenue .....\$25,910,672

**FY16 Revenue Projections to Balance**

- permit fees; at \$1,820,325/month .....\$21,843,900
- Other revenue; at \$310,927/month .....\$3,731,119
- Tech surcharge transfer; from item 4.4 (new projects).....\$155,000
- Total.....\$25,730,019

**Reminder on Demo Fee Changes in LUESA Fee Ordinance**

From BDC April 2012 meeting follow up notes we discussed with LUESA Director or CM's office how to advance this, in light of the BDC's vote supporting a Fy13 increase of 10% followed by four annual increases of 2.5%, in contrast to the 20% proposed by Code Enforcement-Air Quality-Environmental Health. BOCC approved; initial 10% increase on 6/5/12 and annual 2.5% increases in 6/13 & 6/14. This RFBA provides the 3<sup>rd</sup> of 4 annual 2.5% increases (last to follow in Fy17), as requested by the BDC in the April 17, 2012 meeting.

**BDC Motions**

**First Motion:** *Tome Brasse made the motion that the BDC support the Code Enforcement proposed FY16 budget proposal, including a 5 position betterment, including an expense & revenue level of \$25,730,019, with 225 FTE's (current 220+ 5 added positions), with sources of expense and revenue as described in the March 17 BDC meeting seconded by Bernice Cutler. The motion passed unanimously.*

**Second Motion:**

*Tom Brasse made the motion that the BDC support the Department's request that the BOCC approve amending the LUESA Fee Ordinance to increase demolition permit fees 2.5% as described in the draft RFBA; seconded by Travis Haston. The motion passed unanimously.*



**Third Motion:**

*Tom Brasse made the motion that the BDC support the Department's request that the BOCC approve transferring \$155,000 from the Department reserve fund to pay for technology improvements, as described in the AE-GC-Builder Task Force Final Report Part 4; seconded by John Taylor. The motion passed unanimously.*

**Explaining the Budget to Customers**

We think this is simply an announcement of what we've sent on to the CM/BOCC. Don't think it's necessary to have an intense effort to explain it to customers, unless BDC thinks otherwise.

**Conclusion of Department Presentation**

Jim Bartl thanked the BDC members Jonathan Bahr, Travis Haston, Tom Brasse and John Taylor for attending meetings to include Mr. Jon Morris. Especially thanking Amy Hollingsworth for doing all the background numbers work to support the management team.

**4. ADJOURNMENT**

The March 17th meeting of the Building Development Commission adjourned at 5:20 p.m. Next meeting of the Building Development Commission scheduled for Tuesday, April 21, 2015.